

# Citywide Homeownership Program

## PURPOSE

To assist first time homebuyers (haven't been a homeowner in the last three years) with the purchase of a home within the city limits of Raleigh

## PROGRAM

To provide second mortgages to home buyers in Raleigh who are unable to meet down payment and/or closing costs requirements or have an excessive debt to income ratio

## SOURCE OF FUNDS

- First Mortgage: Maximum for which applicant qualifies through participating private sector lending institution (check with CD staff for current partners)
- Second Mortgage: City of Raleigh Housing Bond Funds

## ELIGIBLE PROPERTIES

Single-family homes (including townhouses and condominiums)

## MAXIMUM HOME PRICE

\$170,000

## REQUIREMENTS:

- Must be unable to purchase a home due to lack of down payment/closing costs or have an excessive debt to income ratio, which cannot exceed 41%
- Must not have had an ownership interest in a principal residence within the past three years
- Borrower must have at least one year of satisfactory credit
- Rent payments and Student loans: no payments 30 days past due in the past year
- Revolving Credit (lines of credit like credit cards): No payments 60 days or more past due and no more than 2 payments 30 days past due in the past year
- Installment Credit (loans, car payments, mortgages, etc.) No payments 60 days or more past due and no more than 1 payment 30 days past due in the past year
- Borrower must live in the home as their primary residence
- Preference will be given to people who have lived and/or worked in the city limits of Raleigh for at least two years.
- All applicants must complete homebuyer counseling. For more information contact DHIC at 919-832-4345.

## MAXIMUM QUALIFYING INCOME\*:

Total household income is calculated by adding all of the gross income for every person 18 years of age and older who will be living in the home. \* maximum income amounts change each year, chart below is for 2012

number of people in the household	total household income
1 person	\$44,750
2 people	\$51,150
3 people	\$57,550
4 people	\$63,900

number of people in the household	total household income
5 people	\$69,050
6 people	\$74,150
7 people	\$79,250
8 people	\$84,350



## MAXIMUM LOAN

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- First Mortgage: Maximum qualified for through a participating lender
- Second Mortgage: Up to \$20,000 based on need to complete home purchase

Note: First mortgage plus second mortgage cannot exceed 100% of the appraised value of the home

## TERMS/RATE

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- First Mortgage: Monthly payment determined by lender for a 30 year mortgage at market rate.
- Second Mortgage: 30 year mortgage at 0% interest for first five years then 4% interest thereafter
- Payments are \$25/month years 1-5: (principal only payments); Years 6-30: monthly payments are principal and interest payments at 4% interest amortized over remaining 25 years

## ADMINISTRATION

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For more information, please call 919-996-4330, TTY/TDD: 919-890-3107.  
A loan application can be obtained by contacting a participating lender. Please contact CD staff for a current list.